

Doc Kets



Federal Communications Commission
Washington, D.C. 20554
DEC 9 1996

The Honorable Rick Lazio
U. S. House of Representatives
314 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Lazio:

Thank you for your letter dated September 9, 1996, on behalf of your constituent, Joseph Madigan. Mr. Madigan expresses concern regarding the Commission's policies with respect to 800 MHz Specialized Mobile Radio (SMR) service. Specifically, Mr. Madigan states that the SMR system that his business uses has been acquired by Nextel Communications (Nextel), and that Nextel intends to replace the existing system with a new digital system that will require Mr. Madigan to obtain new equipment.

We note that the Commission does not dictate the type of equipment to be used by SMR licensees. In light of the constant technological advances in mobile radio technology, we have found it preferable to allow licensees to freely adapt and upgrade their technology in response to customer demand rather than to impose rigid technical requirements by regulation. While we recognize that equipment changes may sometimes cause disruption to customers, the array of new services and technologies being introduced to the market will offer substantial public benefits. Nonetheless, we have received similar complaints from other small business customers of Nextel, and we have encouraged Nextel to work with these customers to achieve a mutually agreeable solution. To that end, we will forward a copy of Mr. Madigan's letter to Nextel so that they may look into the matter further.

Further, the Commission is also taking several steps to ensure that customers such as Mr. Madigan have competitive and low-cost alternatives available to them if a given service provider raises rates or requires them to undergo an expensive equipment upgrade. For instance, in addition to 800 MHz SMR channels, there are several hundred channels in Mr. Madigan's area allocated for land mobile radio services targeted to business, industrial, land transportation, and public safety uses. In addition, the Commission is licensing land mobile radio service providers in the 900 MHz SMR service, and is conducting a rulemaking to increase capacity for mobile radio users on UHF frequencies. Finally, the Commission has recently allowed common carriers such as cellular licensees to enter the dispatch radio market, which our regulations previously did not allow. With these changes in our rules, there are now many more licensees who are eligible to provide the type of low-cost mobile radio service that Mr. Madigan seeks.

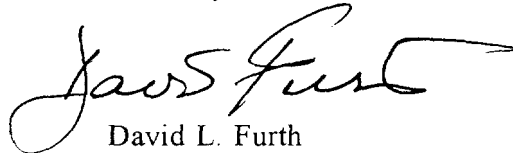
With respect to the 800 MHz SMR service itself, the Commission is conducting a rulemaking to ensure that no one provider dominates the service, but that competitive alternatives are available. On December 15, 1995, the Commission released a First Report and Order, Eighth Report and Order, and Second Further Notice of Proposed Rule Making (First Report and Order) in PR Docket No. 93-144, in which it adopted new rules and issued several new proposals for the 800 MHz service. In that Order, the Commission designated

200 channels to be licensed in blocks based on large geographic areas for large SMR operators who want to provide wide-area service. At the same time, the Commission proposed to designate 230 additional channels for provision of SMR by small businesses.

While this rulemaking is still ongoing, it is our goal to provide opportunities for both large companies such as Nextel and other, smaller operators to provide service and compete for the business of customers such as Mr. Madigan. For your information, I am enclosing a copy of the press release concerning the First Report and Order, which includes a summary of the principal decisions and proposals made.

Thank you for your inquiry.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Furth", with a stylized, flowing script.

David L. Furth
Chief, Commercial Wireless Division

Enclosure

RICK LAZIO

2nd DISTRICT, NEW YORK

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PKB
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September 9, 1996

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

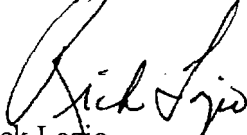
Dear Mr. Hundt:

I am enclosing a copy of a letter written to you from Mr. Joseph Madigan, Jr. o Madigan & Son, Inc., 346 Bayview Avenue, Amityville, New York, a constituent of the 2nd Congressional District of New York. I would appreciate your keeping me informed regarding his concerns about Nextel, and the issues involving choice of carriers.

If I can provide any further information or input regarding this, please feel free to call or write.

With best regards,

Sincerely,


Rick Lazio
Representative in Congress

RL:bv

Enc.



Jim

Madigan & Son Inc.

Plumbing & Heating

Phone: 516-842-0461
Fax: 516-842-9489

346 Bayview Ave.
Amityville, NY 11701

August 30, 1996

Mr. Rick Lazio, Congressman, 2nd CD
126 West Main Street
Babylon, N.Y. 11702

Dear Congressman Lazio,

Enclosed is a copy of a letter I sent to Mr. Reed Hunt,
Chairman, of the Federal Communications Commission, and
Ms. Michelle Farquhar, Chief of the Wireless Communications
Bureau.

I respectfully request your input regarding this matter.

Very truly yours,

MADIGAN & SON, INC.

Joseph Madigan, Jr.
President

JM;jh
Enc.



Madigan & Son Inc.

Plumbing & Heating

Phone: 516-842-0461
Fax: 516-842-9489

346 Bayview Ave.
Amityville, NY 11701

August 30, 1996

Mr. Reed Hunt, Chairman
Federal Communications Commission
Room 814
1919 M Street
Washington, D.C. 20554

Dear Mr. Hunt,

In March of 1993, we purchased 3 radios and 1 base station from Telecom Communications with Metro Net as the service tower in Syosset, N.Y. In May 1995 we purchased one more radio with the same service.

We were then informed that Nextel was purchasing Metro Net Systems. The buy-out was completed in January 1996.

Nextel is now closing the Syosset, N.Y. tower and is transferring analog radios for the cost of over \$2000.00 to a new tower further out east on Long Island and is not guaranteeing the same service. They will for again another higher fee, replace our analog radios with a new and more expensive digital radio service.

Digital radio service such as this is not needed for a small local business such as ours. This would be an unneeded expense and hardship because we rely on these radios for our business.

First, we feel that with our radio purchase in May 1995, Nextel and Metro Net knew of their plans at that time and did not inform us so to avoid one more expensive purchase.

Second, the radios we were offered and purchased are part of an exclusive system and are not compatible with any other system.

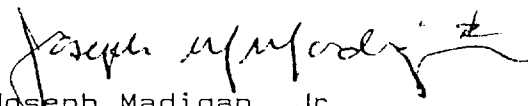
Our third point is that Nextel is now buying other radio service carriers so that small businesses have no freedom of choice.

We are now forced by this take-over by Nextel to purchase only their equipment and use their service exclusively, regardless of any cost or future cost that will result in this monopolistic system.

We are asking that small business be protected by closing the loopholes in the law that allow companies such as Nextel to take away our right to choose carriers.

Very truly yours,

MADIGAN & SON, INC.

A handwritten signature in dark ink, appearing to read "Joseph Madigan, Jr.", with a stylized flourish at the end.

Joseph Madigan, Jr.
President

Copies to:

Michelle Farqhar, Chief
Wireless Communication Bureau

Rick Lazio, Congressman, 2nd CD
Babylon, N.Y.

JM;jh

cc: Commercial Wireless Division
Dockets
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